

Item No. 15.	Classification: Open	Date: 7 March 2023	Meeting Name: Cabinet
Report title:		Gateway 3 – Variation Decision 0-19 Children’s Community Public Health Services Contract Variation	
Ward(s) or groups affected:		All Wards Children aged 0-19 or 25 (if SEND) and their families	
Cabinet Member:		Councillor Evelyn Akoto, Health and Wellbeing	

FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING

The Council took on new responsibilities to deliver children’s public health services under the Health and Social Care Act 2012. Since 2015, Guys and St Thomas’s NHS Foundation Trust (GSTT) community services have provided 0-19 community children’s health services on our behalf. The Council works closely with GSTT to provide a service that best meets the needs of the 0-19 year’s olds (0-25 for SEND children and young people) within the borough and their families. Since 2015, there has also been a significant change in the 0-19 population of Southwark with a reduction in those aged 0-5 and an increase in those aged 5-19. This is therefore an appropriate time to review the service specification, continuing to work in partnership with GSTT to provide a service that is responsive to the needs of our changing population.

RECOMMENDATION

1. That the Cabinet approve the variation of the 0-19 Children’s Community Public Health Services contract with Guys and St Thomas’s NHS Foundation Trust (GSTT) to a total value of £6,649,364 for a period of 12 months from 1 April 2023 to 31 March 2024.

BACKGROUND INFORMATION

2. 0-19 children’s community public health services cover provision of health visiting (from birth to under 5’s) and school nursing (from age 5 to 19/25) services across Southwark.
3. Since 2015, Guys and St Thomas’s NHS Foundation Trust (GSTT) community services have provided 0-19 community children’s health services on behalf of Southwark.
4. They have operated under a section 75 agreement that Southwark Council holds with the South East London Integrated Care System (previously Clinical Commissioning Group).

5. The contract is annually renewed and any changes made through a Deed of Variation.
6. Since its inception, there has been no material changes in the service specification or delivery model of health visiting and school nursing services across Southwark, save for the decommissioning of the Family Nurse Practitioner function as part of a service reorganisation with funds used elsewhere within the service.
7. This is in the context of large changes in the populations that are eligible for, and use these services, with annual trends indicating a reduction in the 0-5 and increase in the 5-19 populations.
8. As was appropriate at the time of inception in 2015, the “4-5-6” model of service delivery was used to implement the national specification for the healthy child programme. The 4-5-6 model of health visiting offered a framework for health visitors to provide a unique, universal, unsolicited and non-stigmatising service to all families with children under 5 years of age. This has been used as the de-facto service delivery approach since then and has not been updated.
9. A revised contract value was formally communicated to the Clinical Commissioning Group in May 2021 and again in January 2022, and has been part of discussions with the provider Guys and St Thomas’s NHS Foundation Trust (GSTT).
10. The Council now intend to vary the service model and funding model for 2023/24, resulting in an extension period of 12 months based on a revised service specification, terms and conditions of contract and budget.

KEY ISSUES FOR CONSIDERATION

Key Aspects of Proposed Variation

11. The nature of the variation is a new total contract value of £6,649,364.00.

Reasons for Variation

12. Since 2015, there has been a significant change in the 0-19 population of Southwark with a reduction in those aged 0-5 and an increase in those aged 5-19.
13. In 2021, a change in the nationally preferred approach to health visiting and school nursing delivery was also made, moving away from the previous “4-5-6” model and towards a “*universal in reach and personalised in response*” model.
14. Variation provides an opportunity to update the service specification beyond the currently used national specification, making it tailored to the

needs of Southwark’s children and their families while introducing additional assurances.

15. A variation in the service specification and contract would allow changes to be implemented which ensure that Southwark children and their families are provided a service which is up to date, tailored to their needs, and able to fully report on its activities to provide assurance and evidence of effectiveness.
16. In 2019-20 it was agreed that the budgetary envelope for the service would change and a new value implemented for 2023-24.

Future Proposals for this Service

17. The variation will be for 2023/24 to enable development of future commissioning intentions for the service from 2024/25 onwards.

Alternative Options Considered

18. Alternative options considered but discarded are outlined below in Table 1.

Table 1. Alternatives considered

Option	Advantages	Disadvantages	Decision
Decommission service entirely	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Lack of service provision not acceptable 	Not acceptable
Continue as is (status quo)	<ul style="list-style-type: none"> • Maintains current service provision • Least disruptive 	<ul style="list-style-type: none"> • Exceeds budget 	Not affordable
Go to market	<ul style="list-style-type: none"> • Opens contract for bids with potentially reduced cost and/or novel methods of working 	<ul style="list-style-type: none"> • Will not be feasible to implement in the time-frame left 	Not feasible

Identified risks for the Variation

19. The risks considered are outlined in Table 2 below with mitigating actions.

Table 2. Risks considered

Risk No.	Risk Identified	Likelihood	Impact	Mitigation
1	Workforce	Mod	Mod	Support Provider and workforce
2	Service interruption	Low	V. high	Ensure clear transition plan in place including deliverables seen and ratified by all stakeholders

Policy implications

20. Legislation and guidance

- a. The approval of the variation would continue to satisfy the council's responsibilities to deliver children's public health services under the Health and Social Care Act 2012.
- b. The proposal and revised service specification would contribute to meeting the council's responsibilities regarding Start for Life services as set out in the Family Hubs and Start for Life Programme Guide 2022.
- c. The equality impact assessment found no evidence to consider any group protected by the Equality Act 2010 to be disadvantaged through this proposal.

21. Council vision, principles and commitments:

- a. The updating of the service specification and delivery model as set out in this report upholds the council's values, commitments, priorities and promises to the residents of the borough.
- b. Specifically the proposal aims to provide a robust and effective community health service for all children and their families, conferring healthy life skills and providing support at key points to ensure all children have the opportunity to lead healthy lives.
- c. The proposal and revised service specification directly support, complement and represent implementation of Southwark's Strategic Policy SP3 "*A great start in life*" as well as SP5 "*tackling health inequalities*".
- d. The proposal and revised service specification directly contribute to ensuring Southwark's Public Sector Equality Duty.
- e. The proposal and revised service specification directly contribute to Southwark's 100% inclusion charter.

Contract management and monitoring

22. The revised service specification includes the establishment of a Monitoring and Oversight Board with responsibility for managing the contract and performance.
23. Annual performance reports to be presented in line with Contract Standing Orders.

Community, equalities (including socio-economic) and health impacts

Community impact statement

24. The adoption of the new specification and contract is likely to have a net benefit to the community overall given the more tailored approach for Southwark's children and their families and supported by the improvements in assurance and governance processes.

Equalities (including socio-economic) impact statement

25. The adoption of the new specification and contract is likely to have a net benefit especially concerning inequalities through a continuous learning and improvement approach to identify and address any gaps or inequalities in service provision. This would be facilitated by better data collection, frequent analysis and improved oversight and assurance processes.

Health impact statement

26. The adoption of the new specification and contract is likely to have a net benefit especially with regards to health of children (and their families), facilitated through a more tailored approach, and supported by more robust assurance and governance processes.

Climate change implications

27. There has not been an explicit assessment of the proposed variation and its contribution to climate change.
28. The specification does make it a requirement for the provider, where possible and appropriate, to *deliver the service in a place-based way* utilising areas where co-location can reduce the burden of travel for clients. This carries environmental benefits.

Social Value considerations

29. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The adoption of the new contract is likely to have a net benefit with a more tailored approach, more robust assurance and governance processes which would allow close monitoring and evaluation of activity to ensure positive impact.
30. GSTT offer apprenticeships, as well as offering non clinical work experience for Southwark pupils and residents. GSTT pay staff working on the contract above minimum wage, inclusive of an inner London cost of living enhancement.

Economic considerations

31. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
32. The provider (GSTT) is one of the largest employers in London employing over 23,500 staff and due to its location; it is likely a major employer of Southwark residents.

Social considerations

33. The provider (GSTT) is one of the largest employers in London employing over 23,500 staff and due to its location; it is likely a major employer of Southwark residents.
34. GSTT is ranked as one of the top NHS trusts in the country to work for by the NHS staff survey and are holders of the Investors in People Gold Standard award.

Environmental/Sustainability considerations

35. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
36. GSTT are committed to delivering sustainable healthcare, being one of the first trusts in the country to implement combined heat and power systems and promote green transport through their community links.

Financial Implications

37. The total value of the contract for 2023-24 is £6,649,364 per annum. This is a fixed value contract and not related to volume or activity. This will be funded from 2023-24 Public Health grant allocations.

Investment Implications (Housing Contracts only)

38. Not applicable.

Legal Implications

39. Please see concurrent of the Assistant Chief Executive, Governance and Assurance.

Consultation

40. There have been regular meetings and consultations with the Provider regarding the new budget.

Other implications or issues

41. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance REF: [60AS2022-23]

42. This report seeks approval of a contract variation for the 0-19 service with Guys & St Thomas' NHS Foundation Trust, which is currently as part of a Section 75 agreement. The Strategic Director of Finance and Governance notes the recommendations and the finance implications highlighted in point 37.
43. The variation will take into consideration the efficiencies applied through budget challenge and will allow for the council to take further control in offering a more tailored service to cater to the changes in demographics highlighted in point 12.

Head of Procurement

44. This report seeks approval of contract variation for provision of the 0-19 Children's Services contract with Guys & St Thomas' NHS Foundation Trust (GSTT) to reflect changes to specification, budget and terms and conditions of contract. This service was formerly provided under a Section 75 agreement with South East London Integrated Care System (SEL ICS) and represents continuation of a previous agreement.
45. The value of the proposed variation is above the minimum threshold for services covered by the Light Touch Regime (LTR) as detailed in the Public Contracts Regulations 2015 (PCR2015). However, Regulation 72(b) permits modification in those instances where a change of contractor:
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,
- provided that any increase in price does not exceed 50% of the value of the original contract.
46. The report confirms that the variation will enable the council to review its service requirements in order to enable development of future commissioning intentions for the service from 2024/25 onwards. The variation is also aligned with the council's Contract Standing Orders (CSOs) which dictate that decision must be taken by cabinet, or cabinet committee, after consideration by the Corporate Contract Review Board.

47. Headline options and risks associated with award are contained at the end of paragraph 18 and 19. It is recommended that the risk register itself is regularly reviewed as a staple meeting agenda component for the new service model mobilisation and delivery phase, and updated accordingly.
48. Alignment with the Fairer Future Procurement Framework (FFPF) is evidenced, specifically via confirmation of London Living Wage (LLW) payment (GSTT pay staff working on the contract above minimum wage, inclusive of an inner London cost of living enhancement) and the subject matter of the contract (“Tackling Health Inequalities”).
49. Proposed methodology for performance/contract monitoring is detailed within paragraphs 22 - 23, namely through creation of a dedicated monitoring and oversight board.
50. The Community, Equalities and Health Impact Statements are set out in paragraphs 24 - 26.
51. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 27 - 36.

Assistant Chief Executive – Governance and Assurance

52. This report seeks approval of a variation of a contract for provision of the 0-19 children’s services, which has arisen as a result of a variation of the service and funding models for 2023/24.
53. In relation to services of this nature and value the Public Contracts Regulations 2015 permit contract modifications in certain limited defined circumstances, including where a change of contractor –
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,provided that any increase in price does not exceed 50% of the value of the original contract.
54. The proposed contract variation is also consistent with the council’s Contract Standing Orders, which reserve the decision in this matter to the Cabinet, after consideration of the report by the Corporate Contract Review Board.

Director of Customer & Exchequer Services (for housing contracts only)

55. Not applicable.

Director of Education (for schools contracts only)

56. Not applicable.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Health and Social Care Act 2012	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.legislation.gov.uk/ukpga/2012/7/contents/enacted		
Equalities Act 2010	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: Equality Act 2010 (legislation.gov.uk)		
Guidance: Family hubs and start for life programme: local authority guide	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.gov.uk/government/publications/family-hubs-and-start-for-life-programme-local-authority-guide		
Southwark Council and NHS Southwark CCG Section 75 agreement (2013)	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://moderngov.southwark.gov.uk/documents/s42156/Appendix 1 Draft agreement under section 75 of the National Health Services Act 2006 relating to le.pdf		

Background Papers	Held At	Contact
The best start for life: a vision for the 1,001 critical days	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.gov.uk/government/publications/the-best-start-for-life-a-vision-for-the-1001-critical-days		
Guidance: Health visiting and school nursing service delivery mode	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.gov.uk/government/publications/commissioning-of-public-health-services-for-children/health-visiting-and-school-nursing-service-delivery-model		
School nursing: Looking after the health and wellbeing of school children	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.local.gov.uk/publications/school-nursing-looking-after-health-and-wellbeing-school-children		
Evelina London Health Visiting Team	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.evelinalondon.nhs.uk/our-services/community/health-visiting-service/team-contacts.aspx		
Southwark Public Sector Equality Duty	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://www.southwark.gov.uk/council-and-democracy/equality-and-diversity/equality-objectives		

Background Papers	Held At	Contact
Southwark 100% inclusion charter	Public Health Directorate, 1 st Floor, Children's and Adults' Services, 160 Tooley Street, London, SE1 2QH	Sangeeta Leahy 07756 214 405
Link: https://moderngov.southwark.gov.uk/ielIssueDetails.aspx?IId=50029378&PlanId=0&Opt=3#A164280		

APPENDICES

No	Title
Appendix 1	Equality and health analysis – Reduction in funding for 0–19 community children's services from 23/24

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Health and Wellbeing	
Lead Officer	David Quirke-Thornton, Strategic Director, Children's and Adults' Services	
Authors	Sangeeta Leahy, Director of Public Health and Dr Youssof Oskrochi, Senior Public Health Specialist	
Version	Final	
Dated	23 February 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Customer & Exchequer Services (for housing contracts only)	N/a	N/a
Director of Education (for schools contracts only)	N/a	N/a
Cabinet Member	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		23 February 2023